

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Employee Leasing Company Act is amended by changing Sections 25 and 30 as follows:

(215 ILCS 113/25)

Sec. 25. Record keeping and reporting requirement.

(a) A lessor shall maintain accounting and employment records relating to all employee leasing arrangements for a minimum of 4 calendar years. A lessor shall maintain the address of each office it maintains in this State, at its principal place of business.

(b) A lessor shall maintain sufficient information in a manner consistent with a licensed rating organization's data submission requirements to permit the rating organization licensed under Section 459 of the Illinois Insurance Code to calculate an experience modification factor for the lessee.

(c) Upon written request of a lessee with an annual payroll attributed to it in excess of \$200,000, the lessor shall provide the lessee's experience modification factor to the lessee within 30 days of the request.

(d) Upon request of a lessee with an annual payroll attributed to it of less than \$200,000, the lessor shall

provide the loss information required to be maintained by this Section to the lessee within 30 days of the request.

(e) Nothing in this Section shall preclude a licensed rating organization from calculating the experience modification factor for each lessee nor an insurer from maintaining and furnishing on behalf of the lessor, such information as required by this Section.

(f) In the event that a lessee's experience modification factor exceeds the lessor's experience modification factor by 50% at the inception of the employee leasing arrangement, the lessee's experience modification factor shall be utilized to calculate the premium or costs charged to the lessee for workers' compensation coverage for a period of 2 years. Thereafter, the premium charged by the insurer for inclusion of a lessee under a lessor's policy may be calculated on the basis of the lessor's experience modification factor.

(g) A lessor that does not provide workers' compensation insurance coverage for leased employees of a lessee under an employee leasing arrangement shall not be subject to compliance with subsections (b) through (f) of this Section.

(Source: P.A. 90-499, eff. 1-1-98; 90-794, eff. 8-14-98.)

(215 ILCS 113/30)

Sec. 30. Responsibility for policy issuance and continuance.

(a) Either a lessor or lessee may provide workers'

compensation insurance coverage for leased employees under an employee leasing arrangement. When a workers' compensation policy written to cover leased employees is issued to the lessor as the named insured, the lessee shall be identified thereon by the attachment of an appropriate endorsement indicating that the policy provides coverage for leased employees. The endorsement shall, at a minimum, provide for the following:

(1) Coverage under the endorsement shall be limited to the named insured's employees leased to the lessees.

(2) The experience of the employees leased to the particular lessee shall be separately maintained by the lessor as provided in Section 25.

(b) (Blank).

(c) The lessor shall notify the insurer or a licensed rating organization 30 days prior to the effective date of termination or immediately upon notification of cancellation by the lessor of an employee leasing arrangement with the lessee in order to allow sufficient time to calculate an experience modification factor for the lessee.

(d) The insurer shall provide proof of workers' compensation insurance to the lessor and to each applicable lessee within 30 days of the coverage being effected or changed.

(e) Calculation of a lessor's or lessee's premium shall be done in accordance with the insurer's rating manual filed with

the Department.

(f) When the lessee provides workers' compensation coverage for leased employees under an employee leasing arrangement, the lessor shall notify the Department in a manner specified by the Department to ensure proper and timely notification of coverage to the Department.

(Source: P.A. 90-499, eff. 1-1-98; 90-794, eff. 8-14-98.)